

To: Insurer Contacts and U.S. Representatives  
From: NAIC International Insurers Department  
Re: NAIC *Quarterly Listing of Alien Insurers* – Application Filing Requirements

The following details outline the application requirements and fee to the NAIC International Insurers Department (IID) for application to the NAIC [Quarterly Listing of Alien Insurers](#).

**Application Required Documentation**

- Cover Letter (Include the objective and any explanatory details)
- 2022 IIDfile – Annual Renewal and New Application Filing (Microsoft Access)\*
- Audited Financial Report
- Business Plan (See Attachment A) and 3-year Pro Forma (See [Pro Forma Projections Template](#))
- Actuarial Report, including Loss Reserves Certification (See Attachment B)
- Biographical Affidavits (All key officers/directors of the applicant plus affidavits for any officers/directors that provide direction of operations within any immediate, intermediate, or the ultimate holding company)
- Certificate of Registration
- Trust Agreement for Alien Excess or Surplus Lines Insurers (Executed prior to admittance)
- Relevant Additional Supplemental Documents (e.g., Additional financial statements or Organizational Charts)

\* The Microsoft Access database will need to be downloaded and saved to your computer. The data year of your application must correspond with the year of the IIDfile System utilized.

Submission of all required documentation and payment of the fee within [OPTins](#) must be made before an application is considered (See [IID Plan of Operation, Section I – Application Process](#)). The application fee is \$10,124.

Questions may be directed to Andy Daleo, Sr. Mgr. - P/C Domestic and International Analysis, [adaleo@naic.org](mailto:adaleo@naic.org).

**NAIC International Insurers Department**  
**Surplus Lines Business Plan Requirements**

- I. Description of the applicant, including, but not limited to the following:
  - a. History of the company formation (including any name changes and/or mergers and acquisitions)
  - b. Description of holding company structure (include diagram of structure)
  - c. Licensure and current standing with domiciliary regulator
  - d. Discussion of Board and management
  - e. Current business written (including details on lines of business written, geographical distribution, and specific programs written)
- II. Discussion of proposed operations, including, but not limited to the following:
  - a. Lines of business and types of coverages planned in the U.S. and any long-range plans to add additional lines of business
  - b. Target market and geographic distribution
  - c. Method(s) of business production (e.g., independent agents or managing general agencies)
  - d. Three-year proforma that includes proposed premium by line of business, on a global and U.S. basis.
  - e. Projections of the balance sheet and income statement results for the current and two successive years
- III. Details on the applicant's reinsurance program, including, but not limited to the following:
  - a. Overall reinsurance strategy
  - b. Details on reinsurance agreements, including, but not limited to the following:
    - i. Attachment points for the types of business written
    - ii. Maximum limit of liability per type of business written
    - iii. Retention levels by line of business
- IV. Other considerations for inclusion
  - a. Investment policy/philosophy
  - b. Risk management and risk management goals
  - c. Management of cybersecurity risk and climate risk
  - d. Financial strength/credit Ratings

## NAIC International Insurers Department

### Loss Reserves Certification Requirement

Provide an actuarial report by an actuary, who is a member of a recognized professional actuarial body, setting forth his or her opinion relating to loss and loss adjustment expense reserves.

The Certification must include:

- A paragraph identifying the actuary;
- The scope of the actuary's work; and
- An opinion.

Provide any additional details on the qualification of the opinion or to explain any aspect of the financial statements, below are examples of illustrative language:

#### **Identification of Actuary**

The opening paragraph of the Certification should indicate the actuary's relationship to the insurer as follows:

- I, (name and title), am an employee of (name of insurer). I am a member of (name of recognized professional actuarial body) and meet its qualification standards to render this opinion.
- I, (name and title of consultant), am associated with (name of firm). I am a (name of recognized professional actuarial body) and meet its qualification standards. I was appointed by the Board of Directors of (name of insurer) on (date) to render this opinion.

#### **Scope**

The Scope paragraph should contain a sentence such as the following:

- I have evaluated the actuarial assumptions and methods used in determining reserves listed below, as shown in the Financial Statement of the Company as prepared for filing with regulatory officials, as of December 31, 20xx.

The paragraph should list items and amounts with respect to which the actuary is expressing an opinion. This list should include, but not be limited to:

- Worldwide loss reserves for unpaid losses, including incurred but not reported amounts
- Worldwide loss reserves for net unpaid loss adjustment expenses
- For liabilities arising from U.S. business written on or after January 1, 1998, either:
  - (i) The Company's U.S. gross surplus lines liabilities (gross reserve for unpaid losses for case and IBNR + gross reserve for unpaid loss adjustment expenses) excluding liabilities from aviation, ocean marine, and transportation insurance, including unpaid loss adjustment expenses and incurred but not reported amounts, or
  - (ii) The Company's direct non-admitted U.S. liabilities excluding liabilities arising from aviation, ocean marine, and transportation insurance and direct procurement placements (specify)

The option selected regarding the calculation of liabilities should 1) Opined on by the designated Actuary and 2) Crosscheck to the required trust fund minimum amount ([IID Plan of Operation](#), Section II.B) held at a qualified U.S. financial institution.

## NAIC International Insurers Department Loss Reserves Certification Requirement

If the actuary has evaluated the underlying records and/or summaries, the scope paragraph should include a sentence such as:

- My review included such evaluation of the assumptions and methods used and of the underlying basic records and/or summaries and such tests and calculations as I considered necessary.

If the actuary has not evaluated the underlying records and/or summaries, but has relied upon those prepared by the company, the scope paragraph should include either of the following:

- I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the company or group. In other respects, my review included such evaluation of the assumptions and methods used and such tests of the calculations as I considered necessary.
- I relied upon (name of firm) for the accuracy of the underlying records and/or summaries. My review included such evaluation of the underlying assumptions and methods used and the calculations as I considered necessary.

### Opinion

The opinion paragraph should include the following:

- In my opinion, the amounts carried in the balance sheet on account of the items identified above
  - (i) Meet the requirements of the insurance laws of (country of domicile).
  - (ii) Are computed in accordance with accepted actuarial standards and principles or similar language.
  - (iii) Make reasonable provision for all unpaid losses and loss expense obligations of the insurer under the terms of its contracts and agreements.

If there has been any material change in the assumptions and/or methods from those previously utilized, that change should be described in the statement of opinion by including:

- A material change in assumptions (and/or methods) was made during the past year, but such change agrees with accepted loss reserving standards (A description of the change should be included).

**Note: The writing of new coverages requiring underlying assumptions that differ from assumptions used for prior coverages, would not be considered a change in assumption, but would be considered a new assumption per the intent of this paragraph.**

If the actuary is unable to form an opinion, they should not issue a statement of opinion. If the opinion is adverse or qualified, the actuary should issue an adverse or qualified opinion explicitly stating the reason(s) for such opinion.